



September 3, 2010

MANUEL TREVINO, JR.  
PLANT MANAGER, AUSTIN PROCESSING AND DISTRIBUTION CENTER

SUBJECT: Audit Report – Color-Coding of Standard Mail and Mail Condition Reporting  
at the Austin Processing and Distribution Center  
(Report Number NO-AR-10-010)

This report presents the results of our audit of color-coding of Standard Mail® and mail condition reporting at the Austin, TX, Processing and Distribution Center (P&DC) (Project Number 10XG037NO000). The objectives were to determine whether employees properly color-coded the mail and accurately counted and reported delayed mail volumes. This is the fifth in a series of self-initiated reviews addressing the color-code policy for Standard Mail. This audit addresses operational risk. See [Appendix A](#) for additional information about this audit.



For Standard Mail, the color-coding process involves using a series of colored tags to ensure efficient processing in a first-in first-out (FIFO) sequence to meet processing, dispatch, and delivery targets. A color-coded tag is assigned based on the day of the week the mail arrives on U.S. Postal Service premises and denotes the target clearance day from the facility or delivery day of the mail. Mail condition reports summarize on-hand and delayed mail volumes of all classes of mail at each mail processing facility.

## Conclusion

The Austin P&DC was not always properly color-coding or reporting delayed mail. We found that the Austin P&DC:

- Did not properly color-code 86 percent of the containers.
- Held mail arriving at the dock and incorrectly coded it 1 day late.
- Did not properly report delayed mail. A review of reporting during April 2010 revealed the Austin P&DC underreported approximately 1.1 million mailpieces.

Once we brought color-coding and mail condition reporting issues to management's attention, they took immediate corrective action to have employees properly tag the mail and accurately report mail conditions. We verified these actions during the last day of our site visit.

## **Color-Coding of Standard Mail**

Of the 408 staged Standard Mail containers reviewed at the Austin P&DC, only 55 (about 13 percent) were properly color-coded and the remaining 353 were not color-coded in accordance with policy. Specifically:

- Color-code tags were missing from 147 containers (36 percent).
- Tags on 140 containers (34 percent) were missing the time and/or date.
- Sixty-six containers (16 percent) had the wrong color tags based on the date the mail entered the mail stream.

Additionally, Austin P&DC employees did not always use national standardized tags. Employees placed colored dots on the routing slips for 91 of the 147 containers, signifying the color the mail should be coded.

These conditions occurred due to:

- Limited color-code training and awareness of the policy.
- Limited oversight by the color-code coordinator.
- Signage not being available to assist employees in proper tagging.

Without accurate color-coding, the Postal Service cannot ensure timely processing, dispatch, and delivery of Standard Mail. Without a date and time on the tag, the Postal Service cannot determine whether employees processed Standard Mail using the FIFO

method.<sup>1</sup> Additionally, the Postal Service cannot readily track service standards and accurately report mail conditions in the web-based Mail Condition Reporting System (MCRS). Failure to accurately color-code and date the mail could also confuse delivery units about when the mail needs to be delivered. See [Appendix B](#) for our detailed analysis of this topic.

We recommend the Austin Processing and Distribution Center plant manager:

1. Train employees to ensure that they properly color-code Standard Mail according to Postal Service policy.
2. Direct the district color-code coordinator to periodically review color-code policies and provide program oversight.
3. Improve facility color-code signage.

### Mail Condition Reporting

The Austin P&DC underreported delayed mail in some cases. Bringing these matters to the attention of plant management resulted in proper reporting, effective May 13, 2010.

These conditions occurred because:

- [REDACTED] misinterpreted the policy believing they had until the delivery day to process the mail before reporting it as delayed.
- [REDACTED] did not adequately oversee employees performing the mail count.

Not properly reporting delayed volumes may prevent management from making effective operational decisions. This could also impact customer service without management's knowledge. See [Appendix B](#) for our detailed analysis of this topic.

We recommend the Austin Processing and Distribution Center plant manager:

4. Provide mail condition reporting training and oversight to employees.

### Management's Comments

Management agreed with the findings and recommendations. During the audit, management corrected the deficiencies in the processes. In addition, applicable employees received color-code and mail condition reporting training. See [Appendix D](#) for management's comments, in their entirety.

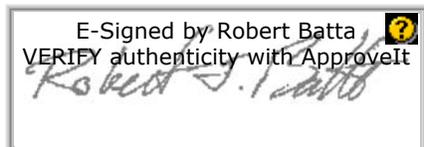
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<sup>1</sup> Mail is staged and processed based on order of receipt.

## Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations and management's corrective actions should resolve the issues identified in the report.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact James L. Ballard, director, Network Processing, or me at 703-248-2100.



Robert J. Batta  
Deputy Assistant Inspector General  
for Mission Operations

### Attachments

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**APPENDIX A: ADDITIONAL INFORMATION**

**BACKGROUND**

Standard Mail is essential to the growth of the Postal Service and is a major factor in its economic health.<sup>2</sup> Standard Mail accounts for approximately 47 percent of all mail volume and 26 percent of the Postal Service’s annual revenue.<sup>3</sup> Delivering Standard Mail timely is important for operational efficiency and customer satisfaction.

The Postal Service uses a system of color-coding to facilitate timely movement of Standard Mail. The color-coding process requires employees to assign colors to mailpieces based on the day of the week. This enables easy processing of mail using the FIFO method. Management updated the color-coding policy on June 17, 2008, with an effective date of August 29, 2008. In December 2008, management made an additional update to the policy to clarify reporting requirements. The Postal Accountability and Enhancement Act of 2006 requires establishment of delivery standards for all classes of mail. While standards have not changed, the policy maintains the integrity of color-code standards from processing to delivery. The service standard for Standard Mail is 3-10 calendar days.

**Illustration 1:**  
A color-code chart, such as this one at the Atlanta P&DC, would provide guidance for placing the correct tag on incoming mail at the Austin P&DC.

STANDARD MAIL		LEVEL	OUTGOING CLEARANCE	Outgoing MKD States Residue (LOS, L010 (L11))	Destination AADC, ADC, SCF, 3-DIGIT, 5-DIGIT, CRT
COLOR CODE	TYPE	CLEARANCE	PROCESSING	DELIVERY	
RECEIPT TIME	DAY OF RECEIPT	COLOR CODE APPLIED	COLOR CODE APPLIED	COLOR CODE APPLIED	
FRI 16:01 - SAT 16:00	SAT	WHITE - SUN	BLUE - MON	ORANGE - TUE	
SAT 16:01 - SUN 16:00	SUN	BLUE - MON	ORANGE - TUE	GREEN - WED	
SUN 16:01 - MON 16:00	MON	ORANGE - TUE	GREEN - WED	VIOLET - THU	
MON 16:01 - TUE 16:00	TUE	GREEN - WED	VIOLET - THU	YELLOW - FRI	
TUE 16:01 - WED 16:00	WED	VIOLET - THU	YELLOW - FRI	PINK - SAT	
WED 16:01 - THU 16:00	THU	YELLOW - FRI	PINK - SAT	BLUE - MON	
THU 16:01 - FRI 16:00	FRI	PINK - SAT	WHITE - SUN	BLUE - MON	

Policies and procedures for the color-coding system are set forth in the Postal Operations Manual (POM), Section 458. The Postal Service is revising the POM to reflect changes in the new color-coding policy.

In support of the updated policy, management also made changes to the MCRS categories. Categories such as “Plan Failure,” “Delayed Processing,” and “Delayed Dispatch” are no longer reported for Standard Mail. The term “Delayed Mail Flow for

<sup>2</sup> Standard Mail weighs less than 16 ounces and includes circulars, pamphlets, catalogs, newsletters, direct mail, and merchandise.

<sup>3</sup> U.S. Postal Service Annual Report, 2009.

Standard Mail” is a new MCRS definition and is used for mail that is not processed, finalized or dispatched from a specific operation or facility to ensure delivery by the programmed delivery day.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

Our objectives were to determine whether employees properly color-coded the mail and accurately counted and reported delayed mail volumes.

This is the fifth in a series of self-initiated audits addressing color-coding and mail reporting at P&DCs nationwide. We selected the Austin P&DC based on historical delayed mail reporting volumes.

To determine whether color-coding procedures conformed to the national color-coding policy, we observed the color-coding of Standard Mail at the Austin P&DC during the week of May 10, 2010. We observed mail color-coded at other facilities, including the Dallas Network Distribution Center (NDC)<sup>4</sup> and Austin Annex. Additionally, we verified mail counts and reviewed count data reported in MCRS. We interviewed Postal Service officials and employees, photographed operations, and observed conditions.

We conducted this performance audit from May through September 2010 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management officials on May 13, 2010, and included their comments where appropriate.

We assessed the reliability of Enterprise Data Warehouse and Web Mail Condition Reporting System (webMCRS also referred to as MCRS) data through comparing hard copy data to computer-generated data and by interviewing Postal Service officials. We determined that the data were sufficiently reliable for the purposes of this report.

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<sup>4</sup> Formerly the Dallas Bulk Mail Center.

**PRIOR AUDIT COVERAGE**

<b>Report Title</b>	<b>Report Number</b>	<b>Final Report Date Report</b>	<b>Results</b>
<i>Color-Coding of Standard Mail and Mail Condition Reporting in the Northland District</i>	NO-AR-10-006	6/9/2010	Opportunities exist for the Northland District to improve color-coding procedures as well as procedures for counting and reporting delayed mail. Management agreed with the report recommendations.
<i>Color-Coding of Standard Mail and Mail Condition Reporting at the Albany Processing and Distribution Center</i>	NO-AR-10-005	3/31/2010	Opportunities exist for the Albany P&DC to improve color-coding procedures as well as procedures for counting and reporting delayed mail. Management agreed with the report recommendations.
<i>Color-Coding of Standard Mail and Mail Condition Reporting at the Santa Clarita Processing and Distribution Center</i>	NO-AR-09-008	8/6/2009	Opportunities exist for the Santa Clarita P&DC to improve procedures for color-coding and reporting of delayed mail to reflect the color-coding and delayed mail reporting requirements as of August 29, 2008. Management agreed with the report recommendations.
<i>Color-Coding of Standard Mail and Mail Condition Reporting at the West Palm Beach Processing and Distribution Center</i>	NO-AR-09-006	6/10/ 2009	Opportunities exist for the West Palm Beach P&DC to improve procedures for color-coding and reporting delayed mail to reflect the color-coding and delayed mail reporting requirements as of August 29, 2008. Management agreed with the report recommendations.

## APPENDIX B: DETAILED ANALYSIS

### Color-Coding of Standard Mail

During the week of May 10, 2010, we reviewed 408 containers of Standard Mail at the Austin P&DC for compliance with the national color-coding policy. We found that only 55 (about 13 percent) were properly color-coded and the remaining 353 were not color-coded in accordance with policy. Specifically:

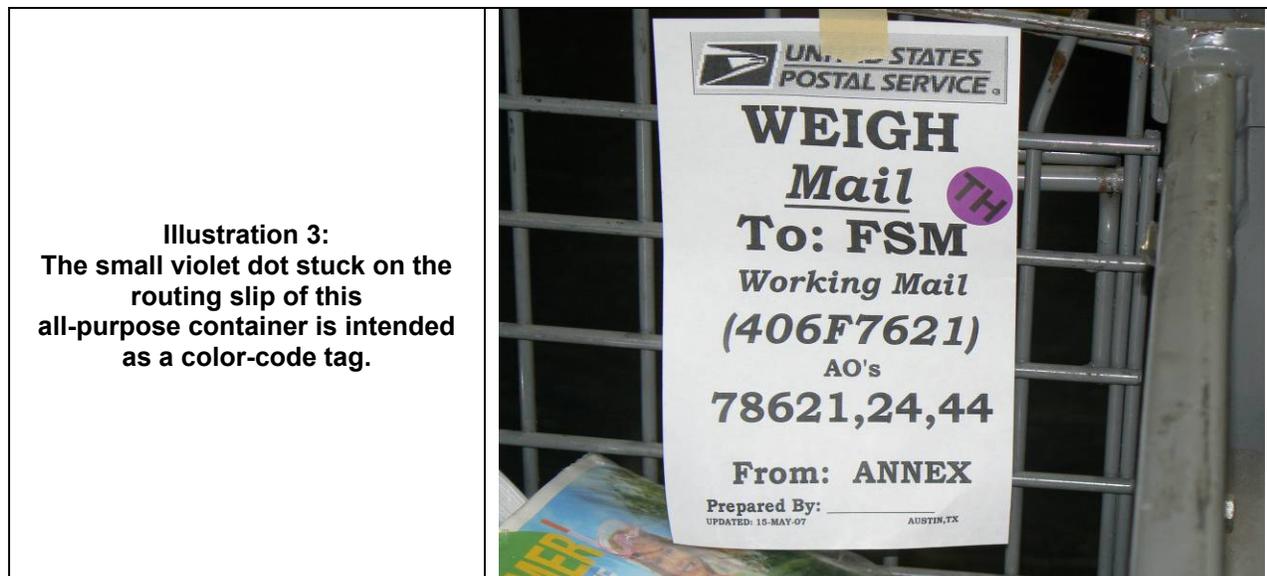
- Color-code tags were missing from 147 containers (36 percent).
- Tags on 140 containers (34 percent) were missing the time and/or date (see Illustration 2).
- Sixty-six containers (16 percent) had the wrong color tags based on the date the mail entered the mail stream.

See [Appendix C](#) for our observations.

**Illustration 2:**  
A color-code tag observed at the Austin P&DC on Tuesday, May 11, 2010, was missing the time and date.

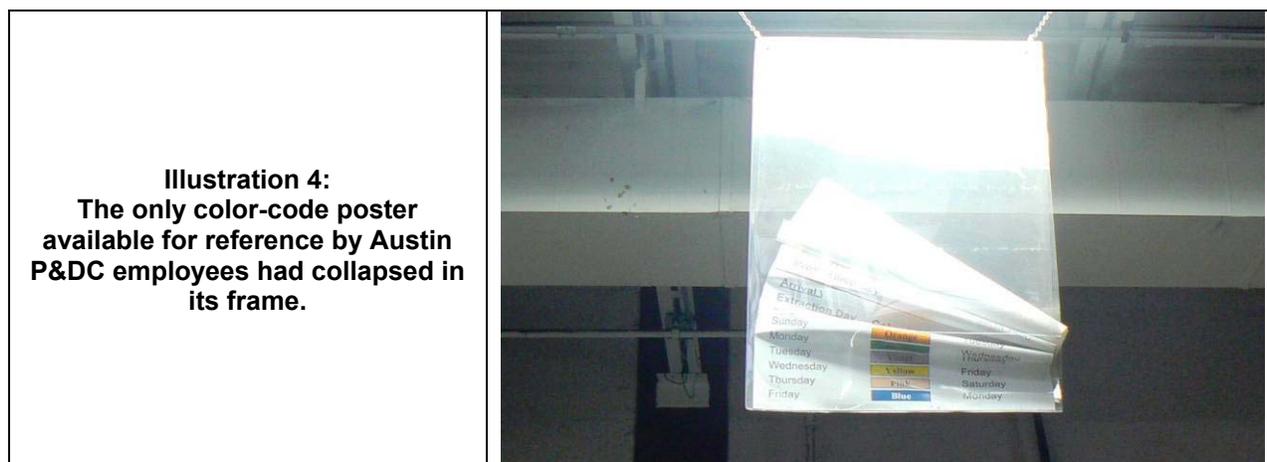


Additionally, in an effort to save paper, the Austin P&DC did not always use the national standardized tag. On 91 of the 147 containers without standardized color-code tags, employees placed colored dots on the routing slip signifying the color the mail should be coded (see Illustration 3).



These conditions occurred due to:

- Lack of color-code training for all employees (only 30 percent of mail handlers received the training).
- Limited oversight of the color-code coordinator.
- No signage to assist employees in proper labeling (see Illustration 4).



A review of training records indicated that not all Austin P&DC employees involved in these operations had received the national color-code training provided through the Postal Employee Development Center. Specifically:

- Only 16 of the 25 Austin P&DC managers and supervisors (about 64 percent) had received documented color-code training.

- Only 35 of the 118 Austin P&DC mail handlers (about 30 percent) had received documented color-code training.

According to the national color-coding policy for Standard Mail, color-coding procedures provide a guide to maintaining service goals for Standard Mail. All Standard Mail will be color-coded and Standard Mail without color-coded tags will be coded the same color as the oldest mail in the unit at the time of its discovery. Additionally, all color-code tags will comply with a standardized national format which will require employees to enter the date and time of mail entry on each tag. The delivery color-code is based on the original entry date and time of the mail, not the processing date or time. Additionally, the P&DC must develop local procedures to ensure they maintain the correct color-code for all mail based on its arrival, even when such mail is entered into mechanized or automated sorting systems.

Without accurate color-coding, the Postal Service cannot ensure timely processing, dispatch, and delivery of Standard Mail. Without a date and time on the tag, the Postal Service cannot determine whether employees processed Standard Mail using the FIFO method. Additionally, the Postal Service cannot readily track service standards and accurately report mail conditions in the web-based MCRS. Failure to accurately color-code and date the mail could confuse delivery units about when the mail needs to be delivered.

### Mail Condition Reporting

Austin P&DC employees were not always accurately recording and reporting delayed mail. For example, from May 11-13, 2010, we observed the Austin P&DC report 32,557 delayed Standard Mail pieces, whereas it should have reported a total of 414,894 as delayed. Thus, the reports understated delayed mail by 382,337 mailpieces (see Table 1).

**Table 1: Mail Condition Reporting Observations at the Austin P&DC**

Date	On-Hand Standard Mail Reported	Reported Delayed	Actual Delayed	Underreported
5/11/2010 1,030	1,245	0	108,603	108,603
5/12/2010 832	237	6,665	275,824	269,159
5/13/2010 509	056	25,892	30,467	4,575
<b>Total</b>	<b>2,371,538</b>	<b>32,557</b>	<b>414,894</b>	<b>382,337</b>

To confirm our observations, we compared the data collection sheets to MCRS reports for all of April 2010. During this time, the Austin P&DC underreported delayed mail flow by approximately 1.1 million mailpieces (see Table 2). This amount represents over four times more than originally reported. Bringing these issues to the attention of plant management resulted in the proper reporting of delayed mail.

**Table 2: Delayed Mail Flow Reporting, April 2010**

Standard Mail Condition Reporting					
April 2010	On-Hand Volume	Reported Delayed Total	Underreported	Actual Delayed Total	Percentage of Actual Delayed
1 440,227		-	11,054	11,054	2.5%
2 557,496		-	78,760	78,760	14.1%
3 506,896		8,507	4,906	13,413	2.6%
4 601,972		-	122,898	122,898	20.4%
5 364,311		-	61,102	61,102	16.8%
6 441,998		-	133,097	133,097	30.1%
7 653,771		30,117	35,592	65,709	10.1%
8 924,945		-	56,754	56,754	6.1%
9 542,076		6,336	44,162	50,498	9.3%
10 670,228		-	-	-	0.0%
11 640,599		-	81,306	81,306	12.7%
12* 858,032		44,586	(44,586)	-	0.0%
13* 685,251		34,026	(7,200)	26,826	3.9%
14 858,482		17,013	7,718	24,731	2.9%
15 662,408		-	74,256	74,256	11.2%
16 742,725		11,284	35,853	47,137	6.3%
17 700,011		10,750	-	10,750	1.5%
18 546,086		-	79,311	79,311	14.5%
19 682,552		51,040	29,985	81,025	11.9%
20 629,425		18,069	5,817	23,886	3.8%
21 590,116		1,056	30,034	31,090	5.3%
22 613,134		-	34,207	34,207	5.6%
23 724,048		-	57,865	57,865	8.0%
24 796,474		-	-	-	0.0%
25* 865,645		-	-	-	0.0%
26 737,512		2,836	52,048	54,884	7.4%
27 766,980		11,342	5,666	17,008	2.2%
28 682,037		-	41,349	41,349	6.1%
29 709,292		-	18,817	18,817	2.7%
30 491,576		-	48,266	48,266	9.8%
<b>Total</b>	<b>19,686,305</b>	<b>246,962</b>	<b>1,099,037</b>	<b>1,345,999</b>	<b>6.8%</b>

\* Complete data collection sheets were not available for these dates.

A comparison of the Austin P&DC's delayed mail volumes to similar-sized sites (Group 2 plants) showed variances. For example, in fiscal year (FY) 2009, the Austin P&DC's delayed volume totaled 29.4 million pieces, while the average for Group 2 plants totaled almost 52 million pieces. See Table 3 for additional information on delayed mail reporting over several years.

**Table 3: Delayed Mail Reporting**

Austin P&DC						
	Priority	First Class	Periodicals	Standard	Packages	Total
<b>FY 2006</b>	92,303 1	363,084	4,782,861	57,367,913	2,755	63,608,916
<b>FY 2007</b>	21,131 1	997,621	4,880,366	86,506,845	469	93,406,432
<b>FY 2008</b>	74,533 2	80,503	4,218,663	42,764,450	3,913	47,342,062
<b>FY 2009</b>	52,586 3	21,829	5,404,797	23,584,392	25,411	29,389,015
Average Group 2						
	Priority	First Class	Periodicals	Standard	Packages	Total
<b>FY 2006</b>	47,705 3	165,873	5,928,385	50,560,476	67,267 59	764,183
<b>FY 2007</b>	28,141 2	476,731	3,459,299	35,553,272	61,921 41	575,781
<b>FY 2008</b>	38,876 1	736,541	2,428,128	29,342,070	53,846 33	593,118
<b>FY 2009</b>	38,014 1	806,667	1,981,172	48,119,910	10,328 51	953,474

These conditions occurred because:

- The employees counting the mail misinterpreted the policy believing they had until the delivery day to process it before reporting it as delayed.
- In-Plant Support employees did not adequately oversee employees performing the mail count.

According to the national color-coding policy and the policy for mail condition reporting, reporting delayed mail flow for Standard Mail is necessary to provide an accurate snapshot of daily facility conditions for Standard Mail. Additionally, employees are required to report destinating 5-digit, non-delivery point sequenced mail<sup>5</sup> as delayed 1 day before the scheduled delivery day. Finally, the “oldest date” for Standard Mail is the oldest date recorded on any color-code tag affixed to a Standard Mail container at the time of the count.

The Postal Service’s Network Operations Website, Processing Operations, In-Plant Training, requires Operations support specialists (OSS) to consolidate and review data from operations to ensure the integrity of the information collected. Additionally, the OSS must audit MCRS for compliance with color-coding policies by checking volume numbers from the MCRS report against manual counts (verifying counts with data collectors).

Not properly reporting delayed mail may prevent management from making effective operational decisions. This could also impact customer service without management’s knowledge.

<sup>5</sup> Destinating 5-digit mail requires additional sorting to the carrier route.

**APPENDIX C: COLOR-CODING OBSERVATIONS OF STAGED MAIL**

Date	Time	Location	Containers Observed	Missing Tags	Incomplete Tags	Wrong Color	Tag Origin
11-May	5:12 AM	DBCS #9	1	1			
11-May	5:15 AM	DBCS #9	2	2			
11-May	5:16 AM	DBCS #9	1	1			
11-May	5:18 AM	Prep Station	6	5	1		Austin P&DC
11-May	5:22 AM	40657705	10				Austin P&DC
11-May	5:22 AM	40657705 22			11		Dallas NDC
11-May	5:26 AM	Dock	4	2			
11-May	5:28 AM	Dock	1		1		Dallas NDC
11-May	5:32 AM	DIOSS 26	4	4			
11-May	5:32 AM	DIOSS 26	2	2			
11-May	5:37 AM	DIOSS 26	4			4	
11-May	5:39 AM	DIOSS 26	4				
11-May	6:16 AM	DIOSS 26	1	1			
11-May	6:18 AM	DIOSS 26	3	3			Annex-Dots
11-May	9:06 AM	Annex	1			1	
11-May	3:08 PM	Door 34	8			8	Dallas NDC
11-May	3:15 PM	Door 34	1		1		Dallas NDC
11-May	3:16 PM	Door 34	7		7		Dallas NDC
11-May	3:19 PM	Door 47	3			3	Austin P&DC
11-May	3:24 PM	Doors 50-52	32		16	16	Austin P&DC
11-May	3:26 PM	AFS 100	1			1	Austin P&DC
11-May	3:28 PM	AFS 100	4			4	Austin P&DC
11-May	3:31 PM	AFS 100	1	1			
11-May	3:33 PM	AFS 100	13	13			Color Dots
11-May	3:38 PM	Staging Area 6	11			11	Austin P&DC
11-May	3:43 PM	Staging Area 1	1	1			Color Dots
11-May	3:47 PM	Mail Prep	7	7			Color Dots
11-May	3:54 PM	Prep Area 1-4	32	22	10		
11-May	3:55 PM	Staging Area	1		1		Annex
11-May	3:59 PM	Prep Station 1	2		2		Annex
11-May	4:00 PM	Prep Station 1	6	2			Color Dots
12-May	5:23 AM	Docks	1			1	Austin P&DC
12-May	5:25 AM	Docks	1	1			Annex Color Dot
12-May	5:28 AM	Dispatch	3			3	San Antonio
12-May	5:06 AM	DBCS 1	2		2		Austin P&DC
12-May	5:11 AM	DBCS 3	1		1		Austin P&DC
12-May	5:13 AM	DBCS 12	2		2		Austin P&DC

**Color-Coding of Standard Mail and Mail Condition Reporting  
at the Austin Processing and Distribution Center**

**NO-AR-10-010**

<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Containers Observed</b>	<b>Missing Tags</b>	<b>Incomplete Tags</b>	<b>Wrong Color</b>	<b>Tag Origin</b>
12-May	5:17 AM	DBCS 10	1	1			
12-May	5:17 AM	Political Mail Staging	10		10		Austin P&DC
12-May	5:19 AM	Prep Area 2	1		1		Austin P&DC
12-May	5:28 AM	Dispatch	3			3	San Antonio
12-May	5:06 AM	DBCS 1	2		2		Austin P&DC
12-May	5:11 AM	DBCS 3	1		1		Austin P&DC
12-May	5:13 AM	DBCS 12	2		2		Austin P&DC
12-May	5:17 AM	DBCS 10	1	1			
12-May	5:17 AM	Political Mail Staging	10		10		Austin P&DC
12-May	5:19 AM	Prep Area 2	1		1		Austin P&DC
12-May	5:22 AM	Prep Area 2	1		1		Austin P&DC
12-May	5:24 AM	Area Staging	26		26		Dallas NDC
12-May	5:26 AM	Area Staging	2	2			
12-May	5:29 AM	Area Staging	3		3		Dallas NDC
12-May	6:11 AM	Prep Area 1	4	4			Austin P&DC
12-May	6:14 AM	Prep Area 1	2	1	1		Austin P&DC
12-May	10:06 AM	Flats Staging Area	53	53			Color Dots
12-May	5:07 AM	DBCS 1	2		2		Austin P&DC
12-May	5:12 AM	DBCS 3	1		1		Austin P&DC
12-May	5:14 AM	DBCS 12	2		2		Austin P&DC
12-May	5:16 AM	DBCS 10	4	2	2		Austin P&DC
12-May	5:20 AM	Political Mail Staging	10	1	9		Austin P&DC
12-May	5:21 AM	Mail Prep	1	1			Austin P&DC
12-May	5:28 AM	406577	26			8	Dallas NDC
12-May	5:30 AM	Primary	3	2			
12-May	5:30 AM	Primary	3			3	Austin P&DC
12-May	6:11 AM	Prep 1	4	4			Annex Color Dot
12-May	6:14 AM	Primary 1	3	1	1		Annex Color Dot
12-May	6:10 AM	Flats Staging Area	2	2			Color Dots
13-May	9:40 AM	Column O3 G	3				Austin P&DC
13-May	9:40 AM	40457786	6	4	2		Annex Color Dots
13-May	9:50 AM	Political Mail Staging	6		5		Austin P&DC
13-May	9:50 AM	Political Mail Staging	3		3		Austin P&DC
<b>Totals</b>			<b>408</b>	<b>147</b>	<b>140</b>	<b>66</b>	<b>353</b>
		<b>Error Percent</b>		<b>36.0%</b>	<b>34.3%</b>	<b>16.2%</b>	<b>86.5%</b>

## APPENDIX D: MANAGEMENT'S COMMENTS

PLANT MANAGER  
AUSTIN PROCESSING & DISTRIBUTION CENTER



August 31, 2010

LUCINE M. WILLIS,  
DIRECTOR AUDIT OPERATIONS

SUBJECT: Response to Transmittal of Draft Audit Report – Color Coding of Standard Mail and Mail Condition Reporting at the Austin Processing and Distribution Center (Report Number NO-AR-10-DRAFT) (Project Number 10XG037NO000).

As a result of the audit performed by the Office of the Inspector General on May 10 – May 13, 2010, eleven issues were listed as action items for the Austin P & DC. The issues have been addressed as follows:

- 1. Color Code is lacking – some equipment had no color codes:**  
Daily validations by supervisors and managers have been implemented to ensure all equipment is color coded as per the national color-coding policy for Standard Mail. An initial internal audit was conducted on June 18<sup>th</sup> by In-Plant Support. Intermittent follow-up audits are also being performed by In-Plant Support to ensure continued compliance with the national color code policy.
- 2. Topeka Color Code printing is not being utilized:**  
The Austin P & DC established a process to order the standardized color code tags in lieu of printing them at the Austin facility.
- 3. The Plant and Annex are both still using color code dots in lieu of the standardized color code tags:**  
In-Plant Support has removed dots from the Plant to eliminate use on Standard Mail volumes.
- 4. BMEU 3/5 digit mail is being color coded as 2-day instead of 3-day:**  
Daily validations by supervisors and managers have been implemented to ensure all BMEU volume is color coded as per the national color-coding policy for Standard Mail.
- 5. Dates and Times are missing from color code slips:**  
A stand up talk was given to mail handlers, supervisors and managers the week of June 4, 2010 regarding annotation of dates and times on all color coded mail containers arriving on docks. Annual follow-up refresher training will be provided by IPS each September and will include the requirement to document dates and times on color code slips.
- 6. Flat MCRS Standard volume reporting – SDO was counting volume but only entered the volume in MCRS comments with no delays being reported:**  
Managers and supervisors were given retraining on proper recording of Standard Mail volumes in the daily Mail Condition Reporting System to include delayed volume reporting. Training completed on June 4, 2010. In-Plant Support has implemented intermittent MCRS audits to ensure accurate reporting by Operations.

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**7. Flats MCRS volume reporting should be reported at the time of the count and not when projecting to clear:**

Retraining for managers and supervisors included accurate reporting of volumes to include delayed standard volumes, at the time of the mail condition count. Training completed on June 4, 2010.

**8. When processing Standard flats on the AFSM100, the downflows must maintain the same color code:**

Retraining for managers, supervisors and AFSM100 crews included maintaining color codes to downflow operations (i.e. manual operations, 404 to 401, etc.) A delivery color code poster has been placed in the AFSM100 area. Training completed on June 4, 2010.

**9. The Austin P & DC held mail arriving at the dock and incorrectly coded it 1 day late:**

Managers, supervisors, expeditors and mail handlers were instructed not to hold any truck to circumvent the national color code policy. Random checks are being conducted to ensure the dysfunctional activity has not been repeated.

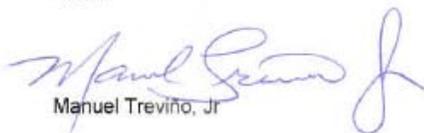
**10. In-Plant Support oversight of color code policy and needs to conduct audits:**

- a) **Audits:** In-Plant Support conducted a color code audit on June 18, 2010. Audits are being conducted intermittently by IPS.
- b) **Training:** Follow-up refresher training is set to be conducted in the month of September 2010 to increase the knowledge and awareness of the national color code policy to all personnel at the Austin P & DC with plans to continue with annual refresher training in September each year.
- c) **Compliance:** The color code coordinator will periodically review color code compliance and will provide program oversight.

**11. Color Code Matrix not adequately posted:**

In-Plant Support has printed out Poster 231-B for delivery and Poster 231-A for Clearance. The delivery and clearance posters were placed in the 003 Cut for BMEU volumes. Additional delivery posters were placed over Bay 27 and Bay 40 on the East Dock, Bay 50 on the North Dock, and at the AFSM100 Mail Prep staging unit and at the Austin Annex.

The Austin In-Plant Support and Operations Team will continue to work to ensure compliance with the national color code policy and Mail Condition Reporting System. If you have any questions or need additional information, please contact Julie Cervantes, Manager In Plant Support or me at (512) 342-1205.



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cc:

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